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# Office and accounting system for the accounting profession

Walter C. Wright

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**OFFICE AND ACCOUNTING SYSTEM**  
**FOR THE**  
**ACCOUNTING PROFESSION**

ONE OF A SERIES OF LECTURES IN A SYSTEMATIC COURSE

**WALTER C. WRIGHT, C. P. A.**  
PRESIDENT, THE AUDIT COMPANY OF LOS ANGELES, INC.

**LaSALLE EXTENSION UNIVERSITY**  
(NON-RESIDENT INSTRUCTION)  
**CHICAGO**

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(Self-Instruction Under Expert Guidance)

**CHICAGO**

**1918**

(5-18)

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**LASALLE EXTENSION UNIVERSITY**

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# OFFICE AND ACCOUNTING SYSTEM

## FOR THE ACCOUNTING PROFESSION

WALTER C. WRIGHT

In taking up the question of accounting methods for professional accountants, we must needs advance cautiously, for we are addressing our colleagues, and they may regard our suggestions as superfluous, but we may proceed boldly, for we are speaking to ourselves, and we know our deficiencies. A milliner is frequently so busily engaged in decorating the heads of other women that she neglects a reasonable attention to her own. The cobbler's children are still faulty in their footwear, and the physician has yet to heal himself.

There are frequently, we presume, personal or professional considerations which determine the principals or partners to do their own bookkeeping, rather than to delegate the work to some office subordinate.

It may not be found convenient, consequently, to make the entries directly into the books at the times that the transactions occur; yet an immediate record is desirable. To meet this situation, a slip such as that here illustrated by Form 1, may be used to advantage. These charge and credit tickets may be made the basis of all cash book and journal entries, and their consecutive numbers, together with the folios of the records to which they are posted, used for cross references. They may be filed away upon the loose-leaf principle.

A combined Cash Book and Journal will likely be regarded as the desirable book of original entry. The ruling presented in Form 2, so far as the general scheme is concerned, would be hard to improve upon. It is subject to extension in a variety of ways.



## WALTER C. WRIGHT

To \_\_\_\_\_

PLEASE TAKE NOTICE

DEBIT

CREDIT

FORM 1

MEMO.

SIGNED

CONSECUTIVE NUMBER

POSTING REFERENCE

## OFFICE AND ACCOUNTING SYSTEM

5

No.

**CASH-JOURNAL**

MONTH OF \_\_\_\_\_

191\_\_\_\_\_

DESIGNED BY WALTER C. WRIGHT, LOS ANGELES

PAGE  
REF.

DEBIT  
LEDGER

DEBIT  
EXPENSE

DEBIT  
CASH

TRANSACTION

DATE

CREDIT  
CASH

CREDIT  
FEES

CREDIT  
LEDGER

PAGE  
REF.

**FORM 2**



In some businesses the "Charges" column might be distributed over two or three sub-columns—"Auditing Charges," "System Charges," or "Principals' Fees," "Assistants' Fees," or otherwise. In the case of a partnership, the charges of the individual partners might be segregated by this means.

A similar line of remark applies to the "Expense" column. If desirable, bank columns may be introduced. The "Transaction" column may contain a mere cross reference to the charge and credit slip, or additional particulars, sufficient to indicate the character of the entries.

Inasmuch as the time employed by the accountants is, in many instances, the basis of the charge, the care and precision with which the records of their engagements are tabulated is of prime consequence.

It may be found wise to require each accountant to turn in a daily memorandum, with particulars of the work performed. Form 3 illustrates this idea. These may be printed in duplicate for the accountant to have a record for his own desk. These daily time reports may then be tabulated upon a monthly time sheet (Form 4) designed for the use of the accountants individually, and to be written up by either themselves or the manager.

If Form 3 is used the "description of work" will be very brief or may be eliminated altogether by a reference to the "Daily Time Sheet" number.

If, on the other hand, the subsidiary form is dispensed with, a fuller outline of the work may be provided for by distributing the ruling over two sides, and using two lines per day; or faint ruling may be interlined on the one side plan.

It will not be often that one accountant will serve more than five clients in a single month, but in such instances, the reverse side of the sheet may be available. The charge column to the right of this sheet may be adapted to the re-



ording of disbursements chargeable to either expense or clients, as the case may be.

The total results of Form 4 are carried to the "Manager's Monthly Recapitulation of Time" sheet (Form 5). Charges may be made direct from this sheet to the Ledger Accounts, and an entry made through the Cash-Journal for the total charges as recapitulated. This may be posted to a "Clients' Controlling Account," but if this plan is adopted the columns upon the Cash-Journal must be ruled up accordingly. It will be well to secure a check upon the work by comparing the total of "Fees" column upon the Cash-Journal, however written up, with the "Grand Total" of charges upon Form 5, compiled from accountants' sheets. A recapitulation of each accountant's time is made also upon this sheet. This may, or may not, furnish the basis of remuneration, but in any case, it is information of consequence.

Where the business is of sufficient magnitude to warrant the preparation of a sheet for listing interviews and calls, a record of this character will be a convenience, if not a necessity. Form 6 provides a monthly sheet ruled with one line for each day for noting these. In each instance, when a charge results from an interview or call the transfer of this item to the Time Sheet (Form 4) is registered by the insertion of the Time Sheet folio. The folio of the Appointments Sheet may be recorded on the Time Sheet as a cross-reference. These sheets are designed on the individual plan. If desired this ruling may be printed on the reverse side of Form 4.

For accountants who are practicing by themselves, or with a very limited office staff, these forms are unnecessarily elaborate. The results may be obtained in a more concise and convenient manner. We present for meeting these conditions, a ruling which combines the features of Forms 3, 4, 5, and 6. (See Form 7.) The clients' columns on this sheet are headed with numbers. The index at the



[illegible]



WALTER C. WRIGHT

[illegible]



foot serves as the identification. At the month end the monthly charges are noted and posting memoranda furnished thereby. The "Miscellaneous" space may be utilized in a variety of ways. But it is particularly designed for registering occasional interviews or engagements for which a charge will be made, or which have an important bearing upon matters in hand.

The practice of providing working sheets of uniform size, of varied rulings, and of as flexible a character as possible for the use of the accountants, is very desirable. We present three rulings, Forms 8, 9, and 10.

Form 8 may be used, among other purposes, for segregating receipts and disbursements of certain businesses. If the receipts should be limited to one class, and the disbursements restricted to four, the sheet as ruled would be capable of displaying all the information desired. Should the receipts require segregation, two exhibits may be prepared; on the one, the receipts in the aggregate listed in the single column and the disbursements analyzed; on the other, the expenditures presented in totals and the receipts segregated. The design of the sheet is flexible to the extent of allowing for the ruling in of four columns either more or less. The space left blank, however, offers itself for memoranda. In making analyses, certain items of which require explanation, the column to the extreme left and the memoranda space adjacent may be made use of for this purpose.

Form 9 is adapted particularly to the display of Ledger Accounts or Journal entries. In the latter case the single column may be used as a repository for items in suspense, or for grouping together such as frequently repeat themselves.

The two central columns with the memoranda spaces



FORM 8

**FORM 9**

FORM 10

We suggest the advisability of not printing the firm name upon stationery which is used exclusively inside the office, and this remark applies particularly to the working forms. There is no advantage to be gained, and inasmuch as the information collected thereon is of a confidential character, any assistance to identification should be avoided as against the contingencies of misplacement and unauthorized curiosity.

A satisfactory method for the filing of working sheets, and other notes in re cases as well as reports, is of importance. The memoranda of prior audits will frequently have data of one kind or another which there may be occasion to refer to in connection with the next following examination, and it should be readily available. The plan of collecting all papers relative to each engagement in envelopes and of filing them away by consecutive numbers in a vertical cabinet, has much to recommend it.

The "case" having been assigned a number, this number appears outside the envelope. Other particulars also may be inscribed on the cover, such as Name of Client, Name of Accountant, Date of Report, Nature of Engagement.

A ready reference may be obtained by the use of a card index. This index may be printed on the reverse side of a "Clients' Card" on which may be recorded particulars which it is wise, not to say important, to have tabulated. The names of the personnel of the office, for instance, may drop out of mind at times when the engagements are irregular or at long intervals, and a record of these may be very opportune.

We suggest a design somewhat as that given in Form 11. The reverse side is given as Form 12—Reverse of Form 11. It will be noticed on this reverse side there is a column headed "Outline Number." It will be found very desirable in connection with audits which occur periodically, to have the accountants prepare detailed outlines

## 19

FILING No.	
NAME _____	
ADDRESS _____	
PERSONNEL _____	
BOOKKEEPER _____	
STENOGRAPHER _____	FORM 11
CHIEF CLERK _____	
AUDITOR _____	
REMARKS _____	
INTRODUCED BY _____	

[illegible]



of the procedure followed, and on the same sheet, memoranda of any matters which should be taken up or looked into, in connection with the next subsequent audit. These outlines may be copied by the stenographer upon loose-leaf sheets, say about 8 inches by 5 inches, and filed away in a ring binder, until they are required for reference in connection with the next engagement. It may be needless to say that all these things should be kept in locked cabinets.

For the benefit of those who may read this article who are just entering the profession, a few words may be said as to the preparation of reports.

(1) Develop the habit of making notes as you proceed with the work. If there is a matter comes under your notice which suggests a doubt or raises a question, make a sufficiently clear memorandum to identify it afterwards. Subsequent developments may explain it away, but on the other hand it may be an important link in an otherwise faulty chain of evidence. If you have a contribution to the report which will be final, it may be wise to try to put it in the first instance in such form as will be suitable to the report. A matter may sometimes be written up to best advantage when freshest upon the mind.

(2) When you have finished the work, collect your notes together, digest them, and then arrange the items in logical sequence. Do not try to follow other accountants' outlines, or to make one report like another. Give them a natural individuality. Let circumstances dictate.

(3) Remember your client did not engage you to write an essay. Be concise as well as clear. Do not present any exhibit unless you have an intelligent purpose in view in so doing.

### Test Questions

NOTE: These questions are for the student to use in testing his knowledge of the lecture. The answers should be written out fully in a note book, but are not to be sent in to the University.

1. Why is an immediate record of transactions desirable?
2. Why would you consider the use of a Cash-Journal undesirable?
3. What is the basis of an accountant's charges?
4. Explain what you mean by a Clients' Controlling Account?
5. In a large practice, how would you deal with interviews and calls?
6. How would you segregate receipts and disbursements?
7. What is necessary in building up, or as the usual accounting term is, "raising" ledger accounts?
8. Why is it desirable that report sheets should be of uniform size with working sheets?
9. What is a good way to file working sheets?
10. How may you use a card index?
11. Why should you make notes as you proceed with the work?
12. What should be the style of the reports?